

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1249

**DATE:** March 11, 2013

**Version:** With the author's amendment (H1249A1)

**Authors:** Newton

**Subject:** Imposing sales tax on certain snack foods

**Analyst:** Pat Dalton, 651-296-7434

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### Overview

Currently Minnesota imposes the sales tax on candy and soft drinks. This bill would expand the definition of taxable foods to include other snack items such as chips, popcorn, cookies and other baked goods, and ice cream novelties. These items would remain exempt when sold as a fund raising effort by nonprofit groups serving youth (i.e. Girl Scout cookie sales).

#### Section

**1**      **Snack food.** Adds a definition of snack food to the sales tax law. Snack food would include:

- chips and similar items,
- popcorn,
- pretzels,
- snack mixes,
- licorice,
- cookies, pies, donuts and other pastries; and
- ice cream novelties.

Effective for sales and purchases after June 30, 2013.

**Section**

- 2**        **Food and food ingredients.** Removes snack food defined in section 1 from the definition of tax exempt food.

Effective for sales and purchases after June 30, 2013.

- 3**        **Fund raising sales by nonprofit groups.** Expands the existing sales tax exemption for candy sold by nonprofit youth groups for fund raising purposes to also exempt sales of snack foods.

Effective for sales and purchases after June 30, 2013.